

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1040-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK

DRILL ☒

DEEPEN ☐

TYPE OF WELL

☐

☒

☐

SINGLE ☒

MULTIPLE ☐

OIL WELL

GAS WELL

OTHER

ZONE

ZONE

2. NAME OF OPERATOR

QEP UINTA BASIN, INC.

Contact: Jan Nelson

E-Mail: jan.nelson@questar.com

3. ADDRESS

11002 E. 17500 S. Vernal, Ut 84078

Telephone number

Phone 435-781-4331 Fax 435-781-4323

4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*)

At Surface 620643X 674' FSL 856' FWL SWSW SECTION 17, T8S, R21E

At proposed production zone 4441549Y 40.117683 -109.584281

14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE*

10 +/- MILES EAST OF OURAY, UTAH

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(also to nearest drig,unit line if any)

674' +/-

18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft

16. NO. OF ACRES IN LEASE

880.00

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

21. ELEVATIONS (Show whether DF, RT, GR, ect.)

4668.4' GR

22. DATE WORK WILL START

ASAP

23. Estimated duration

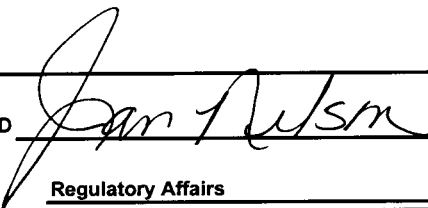
20 days

24. Attachments

The following, completed in accordance with the requirments of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan
3. A surface Use Plan (if location is on National Forest System Lands,
4. Bond to cover the operations unless covered by an exisiting bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

SIGNED



Name (printed/typed) Jan Nelson

DATE 6-2-06

TITLE

Regulatory Affairs

(This space for Federal or State office use)

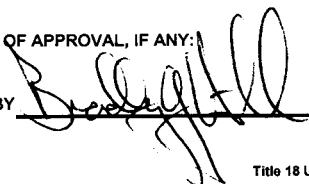
PERMIT NO.

43-047-38188

APPROVAL DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY



TITLE

**BRADLEY G. HILL
ENVIRONMENTAL MANAGER**

DATE

06-15-06

*See Instructions On Reverse Side

Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction

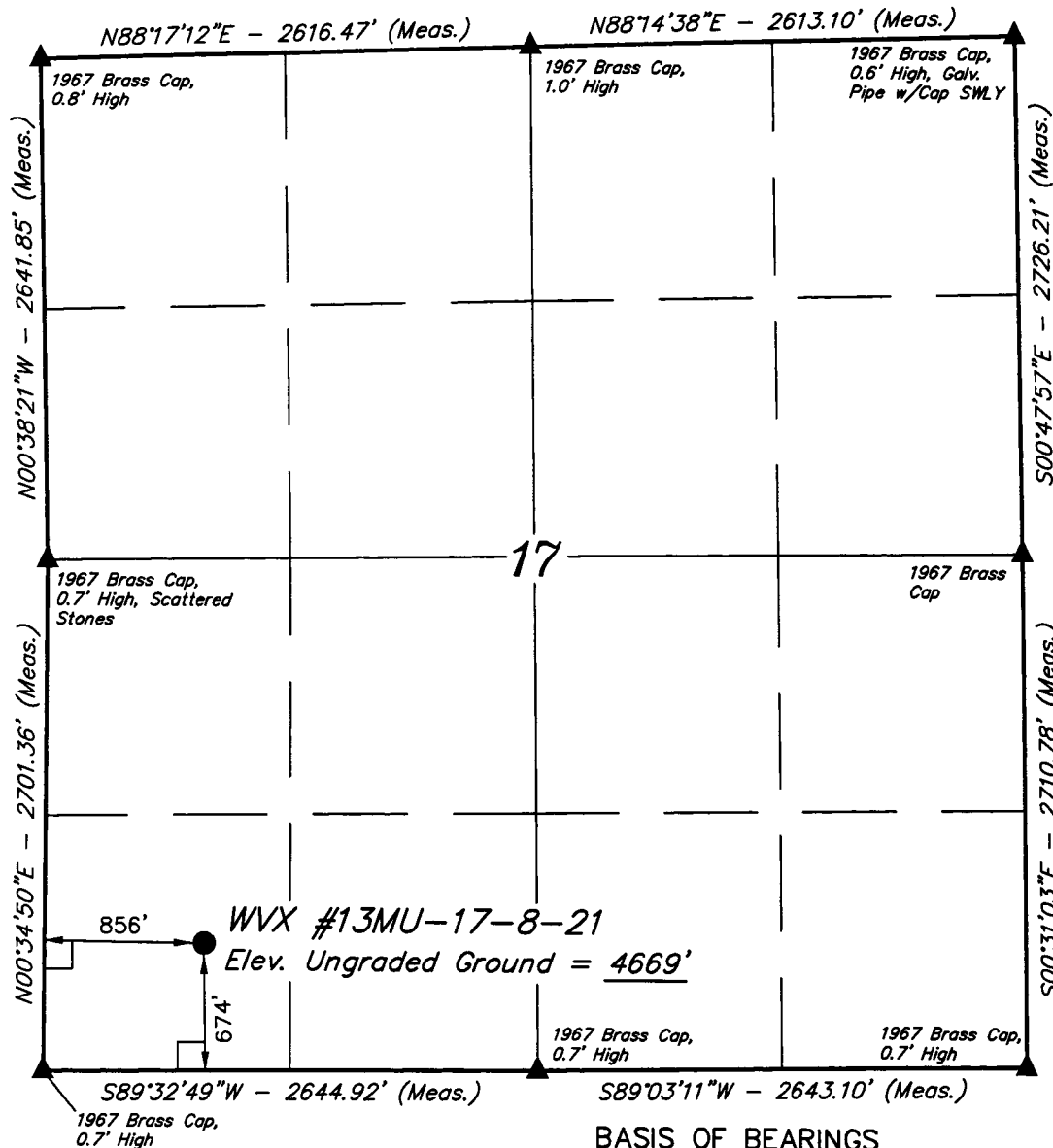
Federal Approval of this
Action is Necessary

JUN 07 2006

T8S, R21E, S.L.B.&M.

QUESTAR EXPLR. & PROD.

Well location, WVX #13MU-17-8-21, located as shown in the SW 1/4 SW 1/4 of Section 17, T8S, R21E, S.L.B.&M., Uintah County, Utah.



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
(NAD 83)

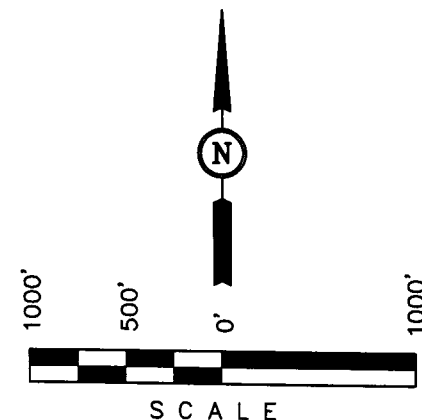
LATITUDE = 40°07'03.59" (40.117664)
LONGITUDE = 109°35'05.41" (109.584836)
(NAD 27)
LATITUDE = 40°07'03.72" (40.117700)
LONGITUDE = 109°35'02.92" (109.584144)

LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

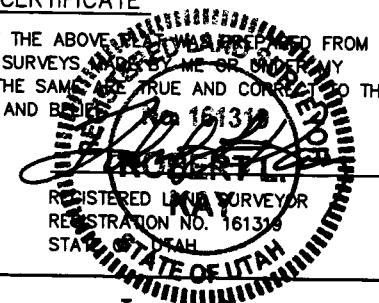
BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS, MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|-------------------------|--------------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 04-25-06 | DATE DRAWN: 04-28-06 |
| PARTY D.A. T.B. L.K. | REFERENCES G.L.O. PLAT | |
| WEATHER COOL | FILE QUESTAR EXPLR. & PROD. | |

Additional Operator Remarks

QEP Uinta Basin, Inc. proposes to drill a well to 11,825' to test the MesaVerde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements"

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Please be advised that QEP Uinta Basin Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Uinta Basin Inc. via surety as consent as provided for the 43 CFR 3104.2.

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

| <u>Formation</u> | <u>Depth</u> | <u>Prod. Phase Anticipated</u> |
|------------------|--------------|--------------------------------|
| Uinta | Surface | |
| Green River | 2553' | |
| Wasatch | 6024' | Gas |
| Mesa Verde | 9278' | |
| Sego | 11728' | |
| TD | 11825' | |

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| Oil/Gas | Mesa Verde | 11825' |

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes.

DRILLING PROGRAM

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment:

- A. 5,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 5M system and individual components shall be operable as designed.

4. Casing Program

| | <u>Depth</u> | <u>Hole Size</u> | <u>Csg Size</u> | <u>Type</u> | <u>Weight</u> |
|------------|--------------|------------------|-----------------|-------------|-----------------------|
| Surface | 1600' | 12 1/4" | 9-5/8" | J-55 | 36 lb/ft (new) LT&C |
| Production | 7500' | 8 3/4" | 4 -1/2" | P-110 | 11.60 lb/ft (new)LT&C |
| TD | 11825' | 7 7/8" | 4- 1/2" | P-110 | 11.60 lb/ft (new)LT&C |

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
If drilling with air the following will be used:

DRILLING PROGRAM

- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 11.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

6. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 4500 to TD
GR-SP-Induction
Neutron Density
MRI

- C. Formation and Completion Interval: Mesa Verde interval, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

DRILLING PROGRAM

7. Cementing Program

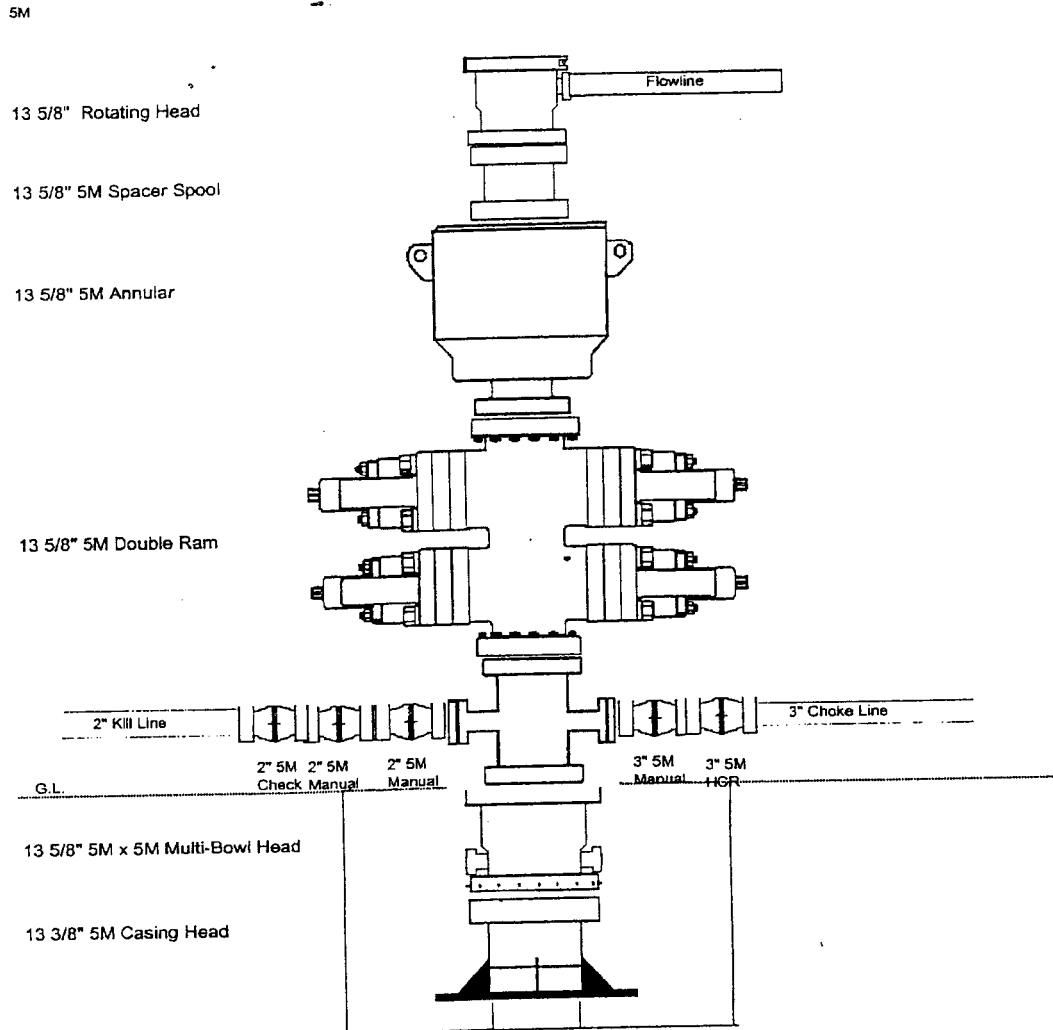
| <u>Casing</u> | <u>Volume</u> | <u>Type & Additives</u> |
|---------------|-----------------------------|---|
| Surface | 913sx | Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Cement to surface with 160 cf (913sx) calculated. Tail plug used. Allowed to set under pressure |
| Production | Lead-805sx* Tail-1898sx* | Lead/Tail oilfield type cement circulated in place . Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Tail to 5524' ($\pm 500'$ above production zone). Cement Characteristics: Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Lead to surface. Tail plug used. Allowed to set under pressure. |

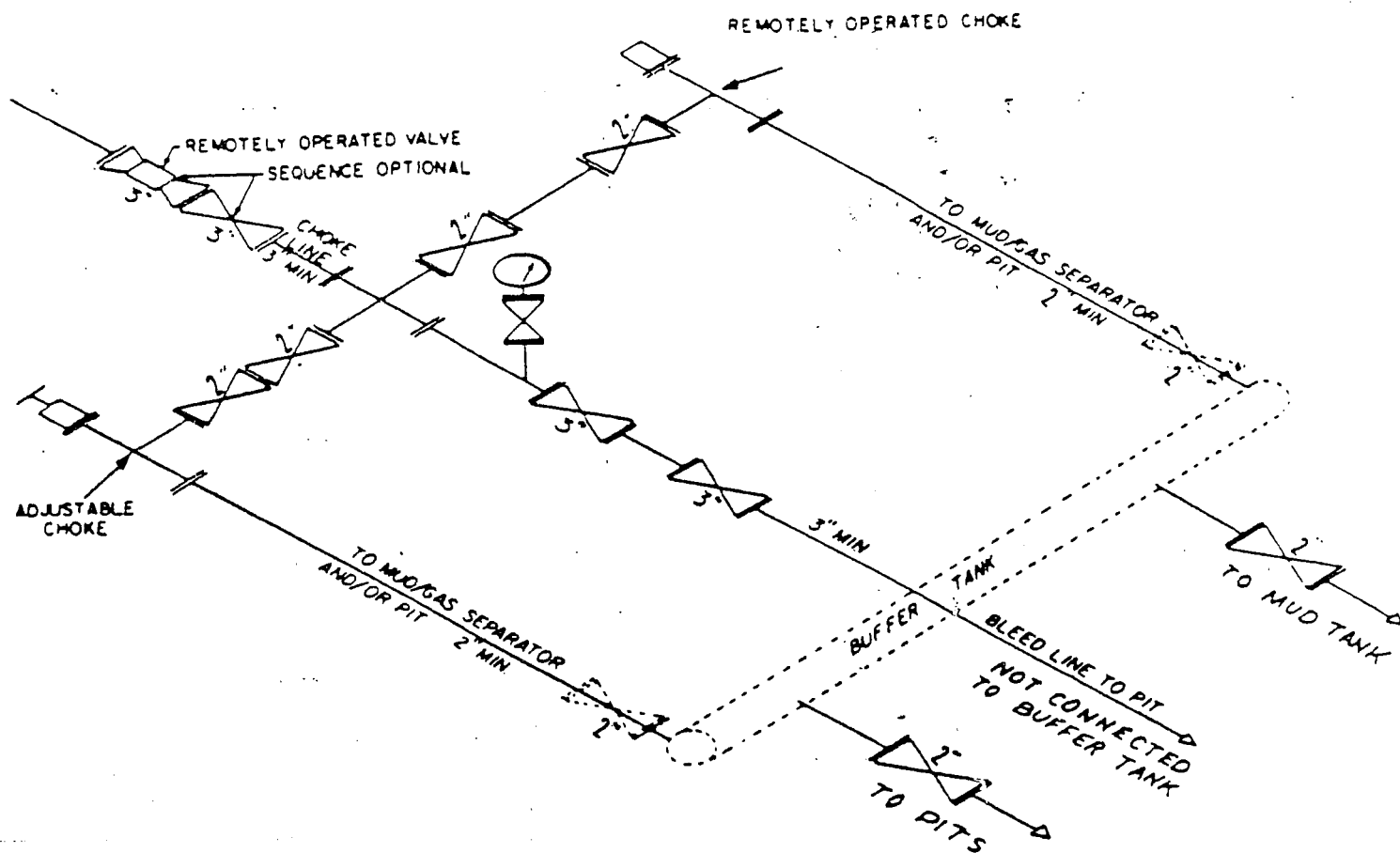
*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 5128.0 psi. Maximum anticipated bottom hole temperature is 140° F.

EXHIBIT B SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK





② SM CHOKES MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES MAY VARY

**QEP UINTA BASIN, INC.
WVX 13MU-17-8-21
674' FSL 856' FWL
SWSW, SECTION 17, T8S, R21E
UINTAH COUNTY, UTAH
LEASE # UTU-68219**

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

The proposed well site is approximately 10 miles east of Ouray, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

There will be no improvements made to existing roads.

2. Planned Access Roads:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Refer to Topo Map D for the location of the proposed pipeline.

5. Location and Type of Water Supply:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

6. Source of Construction Materials:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

7. **Methods of Handling Waste Materials:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

8. **Ancillary Facilities:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. **Plans for Reclamation of the Surface:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Interim Reclamation

Please see attached Interim Reclamation plan.

Once the well is put onto production, QEP will reclaim as much of the well pad as possible that will allow for operations to continue in a safe and reasonable manner. Reseeding will be done in the spring or fall of every year to allow winter precipitation to aid in the success of reclamation.

Seed Mix:

Interim Reclamation:

9 lbs Hycrest Crested Wheatgrass

3lbs Forage Kochia

Final Reclamation:

Seed Mix # 1 3 lbs. Fourwing Saltbush, 3 lbs. Indian Rice Grass, 1 lb. Needle & Threadgrass

4 lbs. Hycrest Crested Wheat

11. **Surface Ownership:**

Ute Tribe

PO Box 190

Ft. Duchesne, UT 84026

(435) 722-5141

12. **Other Information**

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

Lessee's or Operator's Representative:

Jan Nelson
Red Wash Rep.
QEP Uinta Basin, Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

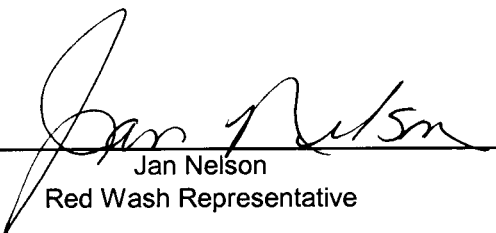
Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP Uinta Basin Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP Uinta Basin, Inc. it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Jan Nelson
Red Wash Representative

02-Jun-06
Date

QUESTAR EXPLR. & PROD.

WVX #13MU-17-8-21

LOCATED IN UINTAH COUNTY, UTAH

SECTION 17, T8S, R21E, S.L.B.&M.

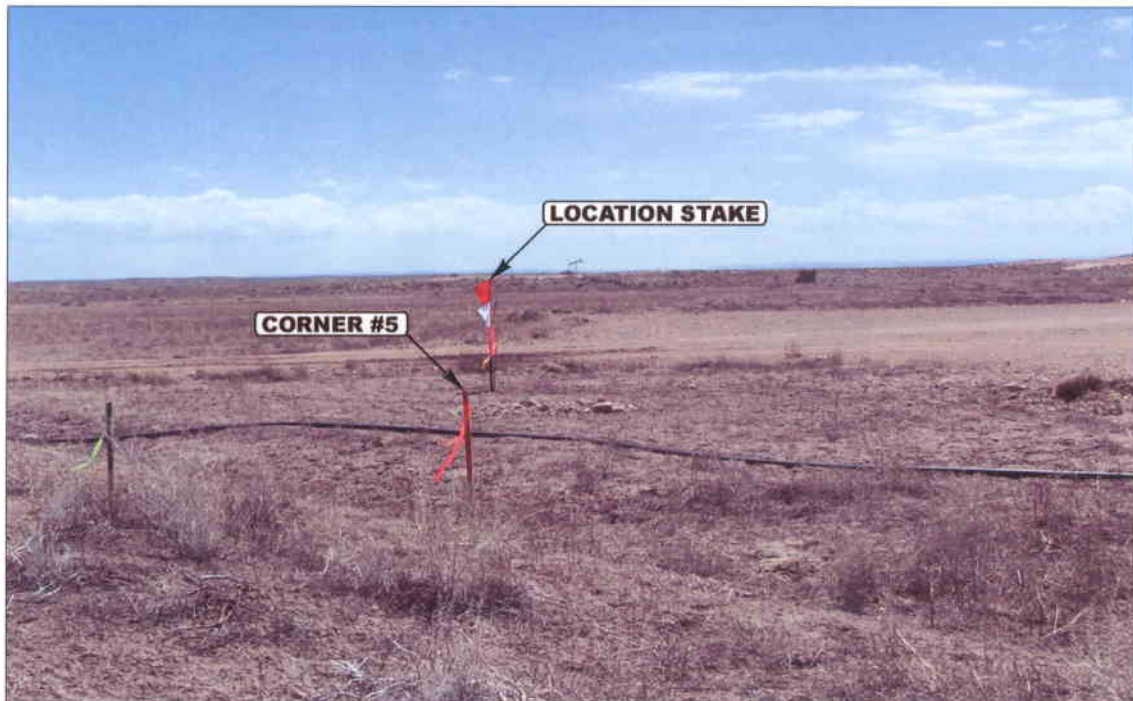


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

**U
E
L
S**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

04 26 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: B.C.

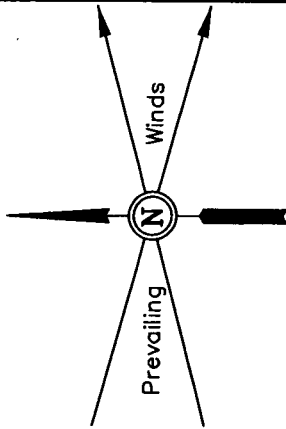
REVISED: 00-00-00

QUESTAR EXPLR. & PROD.

FIGURE #1

LOCATION LAYOUT FOR

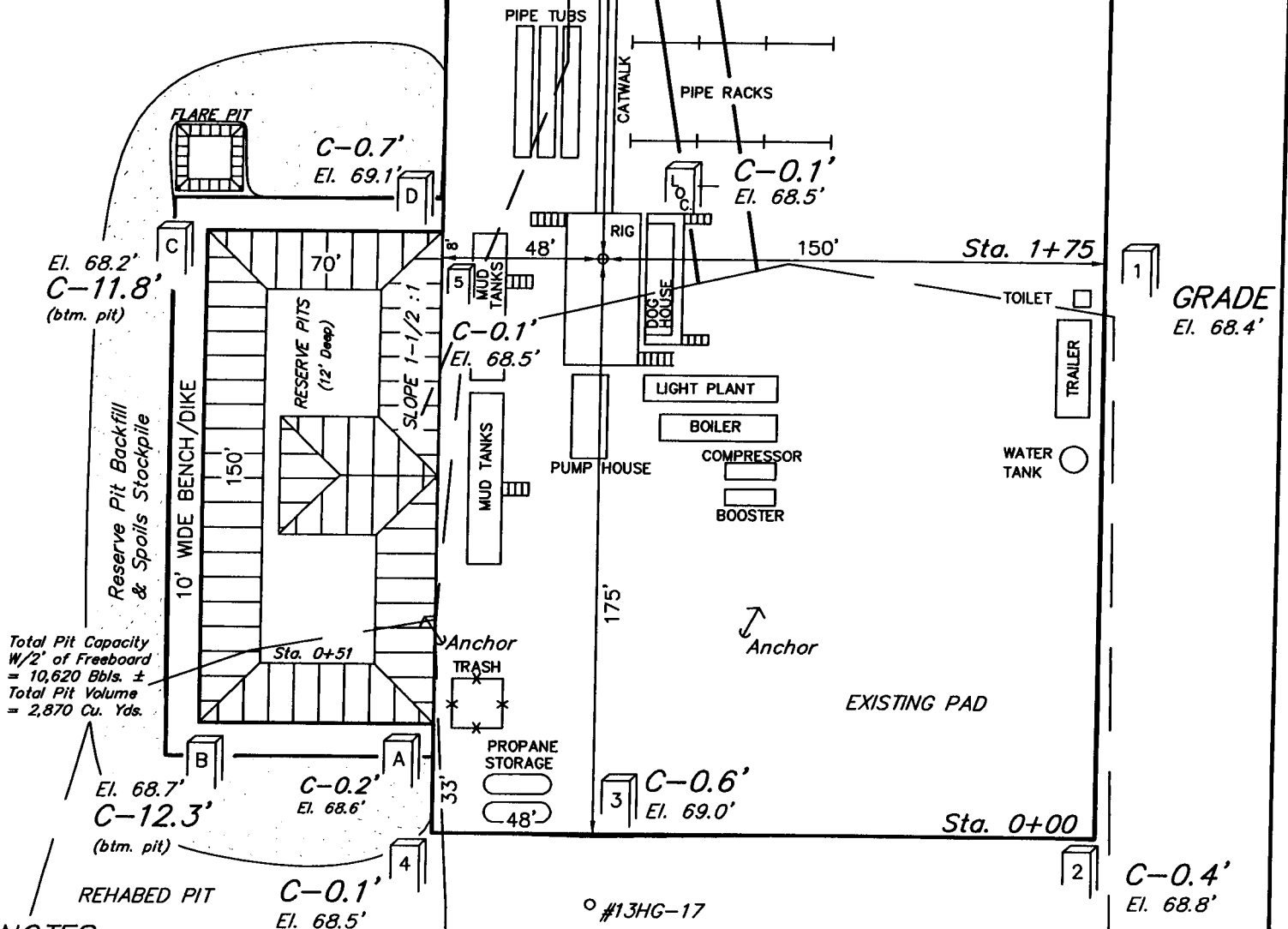
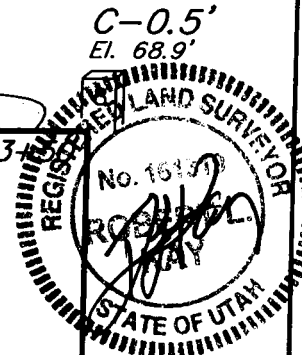
WVX #13MU-17-8-21
SECTION 17, T8S, R21E, S.L.B.&M.
674' FSL 856' FWL



SCALE: 1" = 50'
DATE: 04-27-06
Drawn By: L.K.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At #13MU-17 Loc. Stake = 4668.5'
FINISHED GRADE ELEV. AT #13MU-17 LOC. STAKE = 4668.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QUESTAR EXPLR. & PROJ.

TYPICAL CROSS SECTIONS FOR

WVX #13MU-17-8-21

SECTION 17, T8S, R21E, S.L.B.&M.

674' FSL 856' FWL

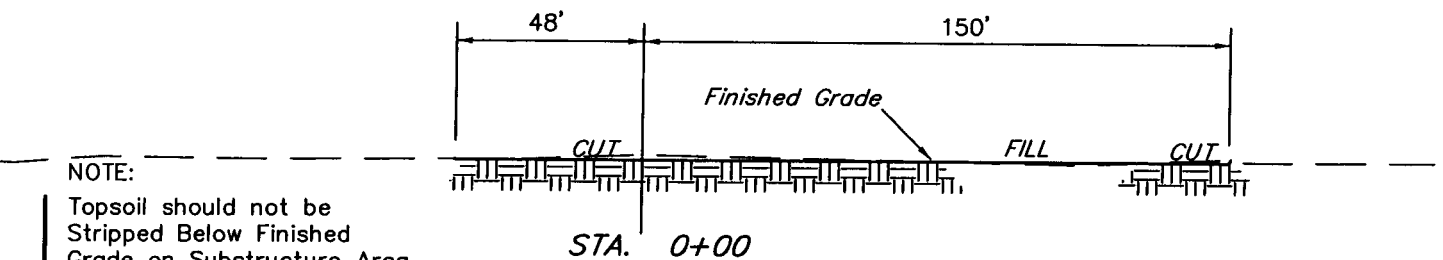
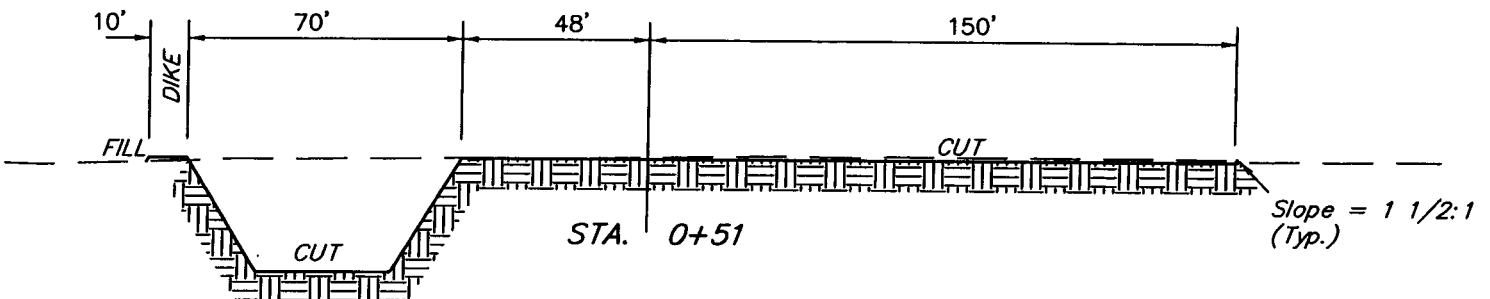
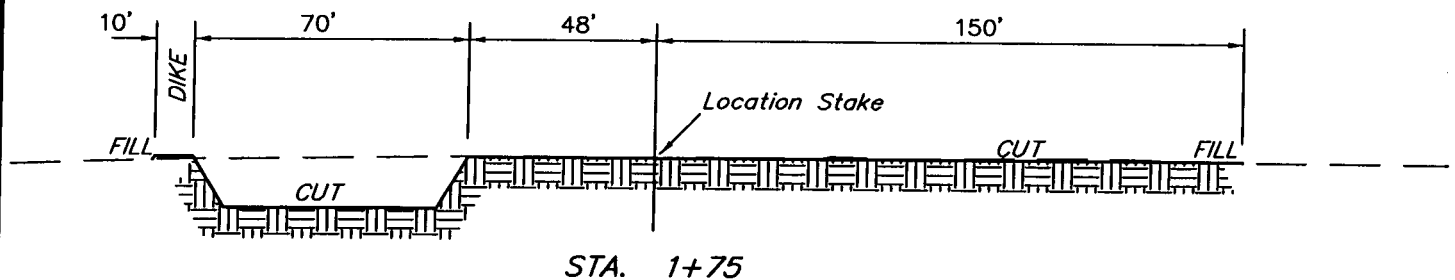
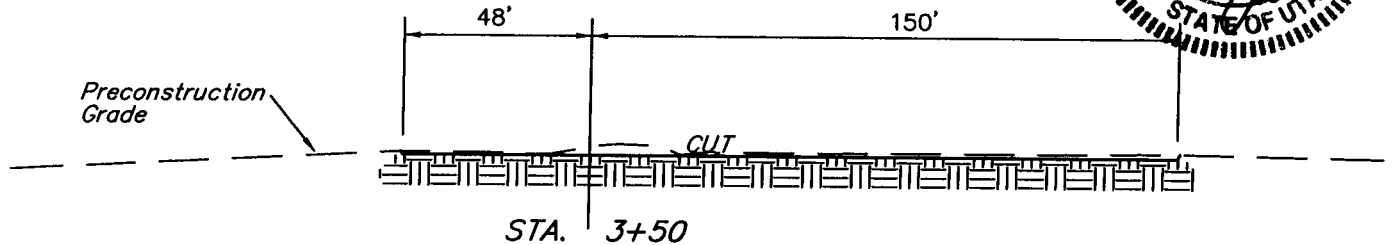
FIGURE #2



1" = 20'
X-Section
Scale
1" = 50'

DATE: 04-27-06

Drawn By: L.K.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

CUT

(12") Topsoil Stripping = 1,790 Cu. Yds.

(New Construction Only)

Remaining Location = 2,610 Cu. Yds.

TOTAL CUT = 4,400 CU.YDS.

FILL = 1,010 CU.YDS.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

Excess Material = 3,390 Cu. Yds.

Topsoil & Pit Backfill = 3,230 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 160 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QUESTAR EXPLR. & PROD.

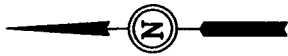
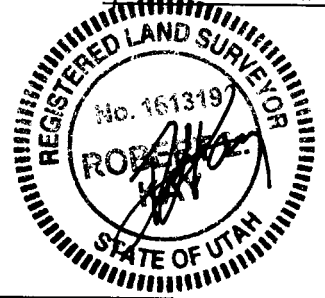
INTERIM RECLAMATION PLAN FOR

WVX #13MU-17-8-21

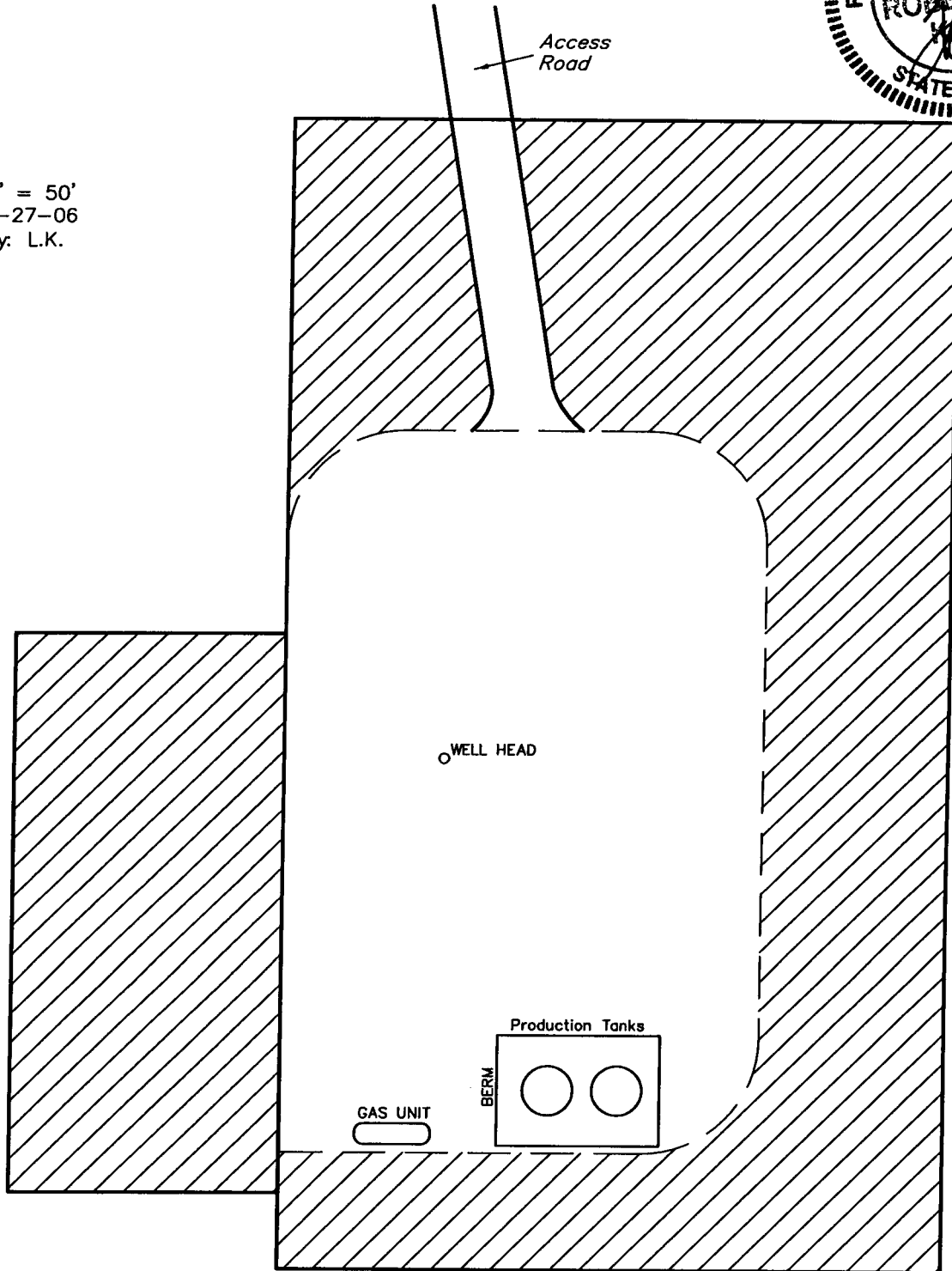
SECTION 17, T8S, R21E, S.L.B.&M.

674' FSL 856' FWL

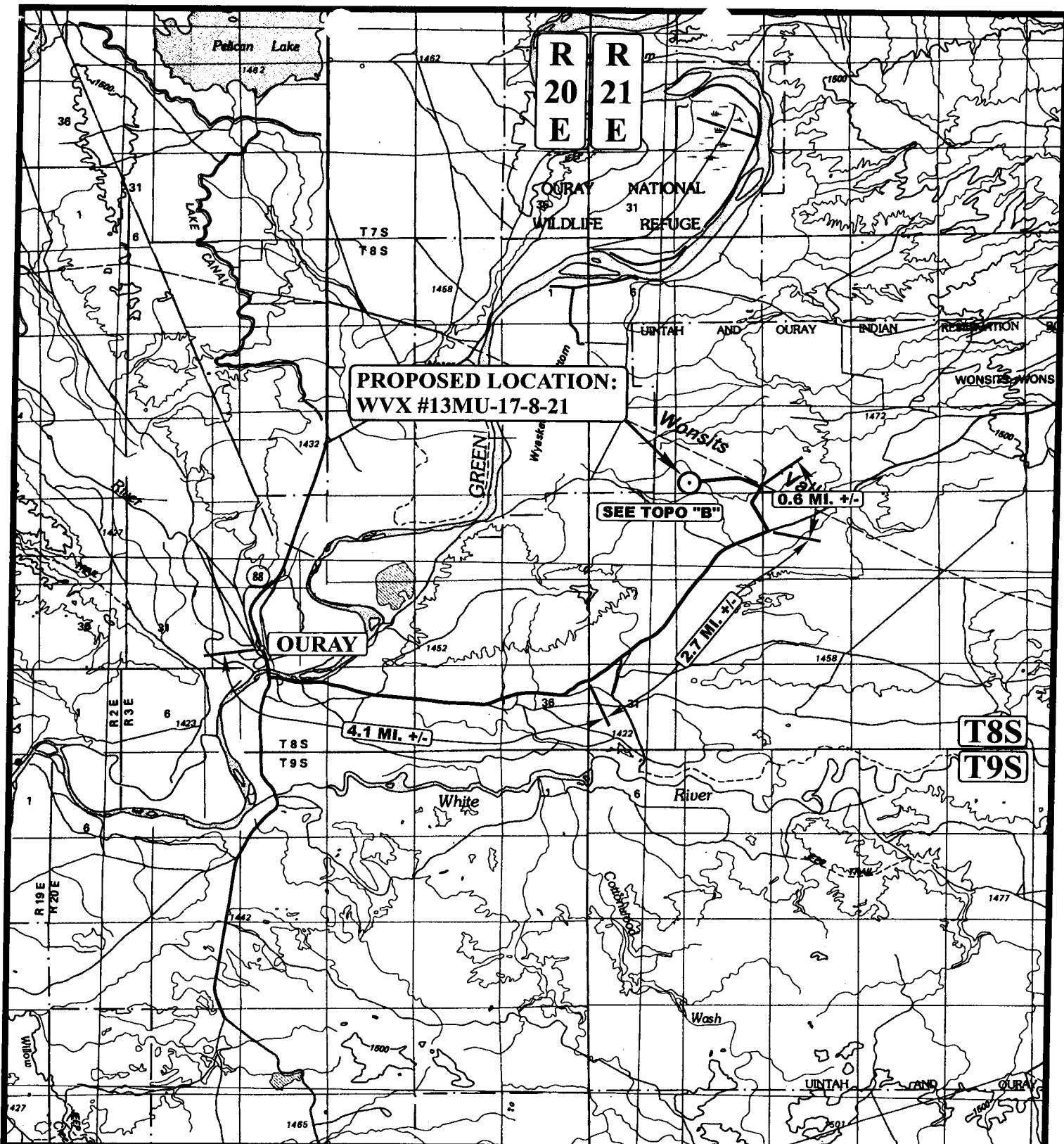
FIGURE #3



SCALE: 1" = 50'
DATE: 04-27-06
Drawn By: L.K.



INTERIM RECLAMATION



LEGEND:

⊙ PROPOSED LOCATION

QUESTAR EXPLR. & PROD.

WVX #13MU-17-8-21

SECTION 17, T8S, R21E, S.L.B.&M.

674' FSL 856' FWL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

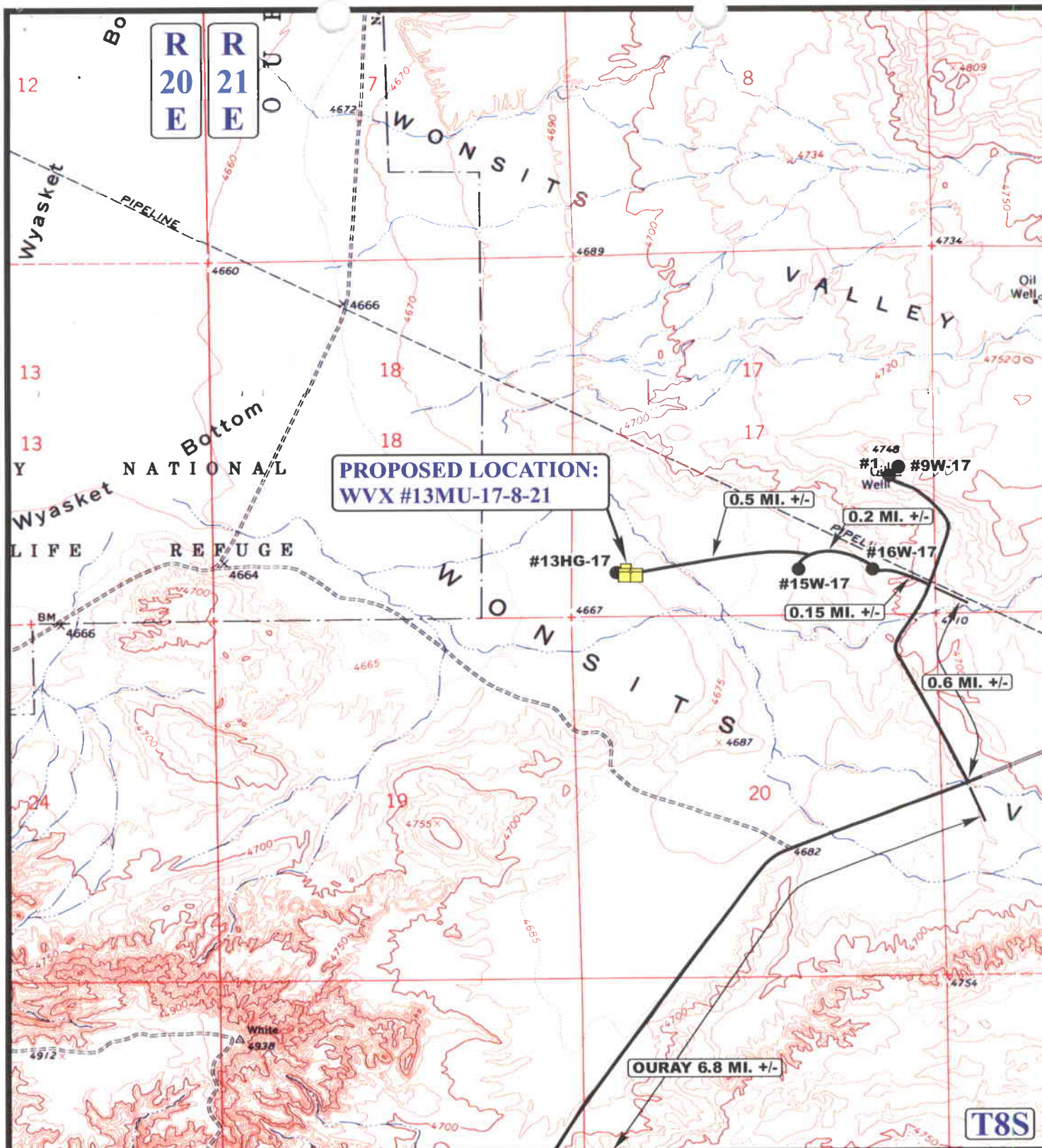


TOPOGRAPHIC
MAP

04 26 06
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: B.C. REVISED: 00-00-00





LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD

QUESTAR EXPLR. & PROD.

WVX #13MU-17-8-21
SECTION 17, T8S, R21E, S.L.B.&M.
674' FSL 856' FWL

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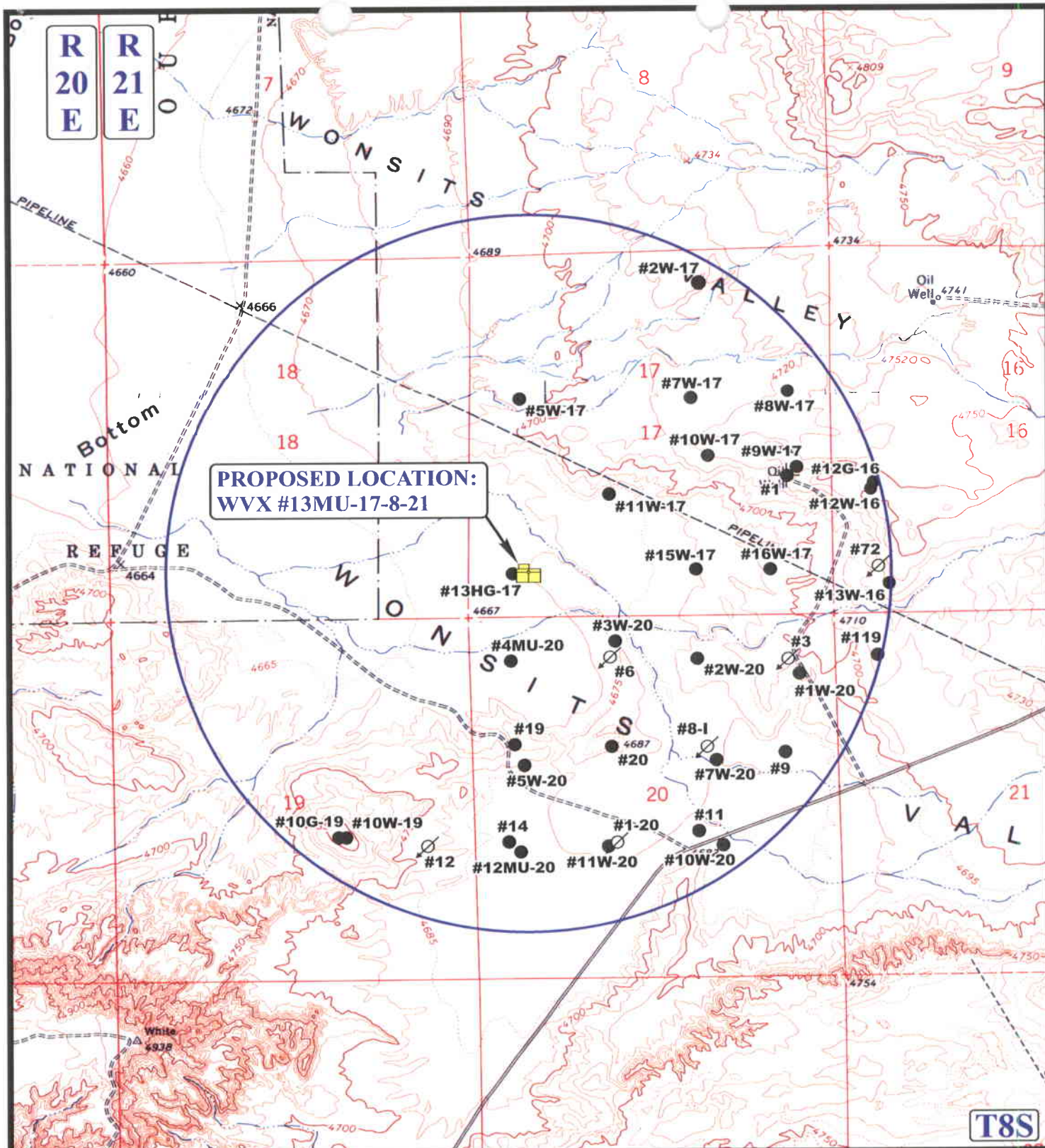


TOPOGRAPHIC
MAP

04 **26** **06**
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

QUESTAR EXPLR. & PROD.

WVX #13MU-17-8-21
SECTION 17, T8S, R21E, S.L.B.&M.
674' FSL 856' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

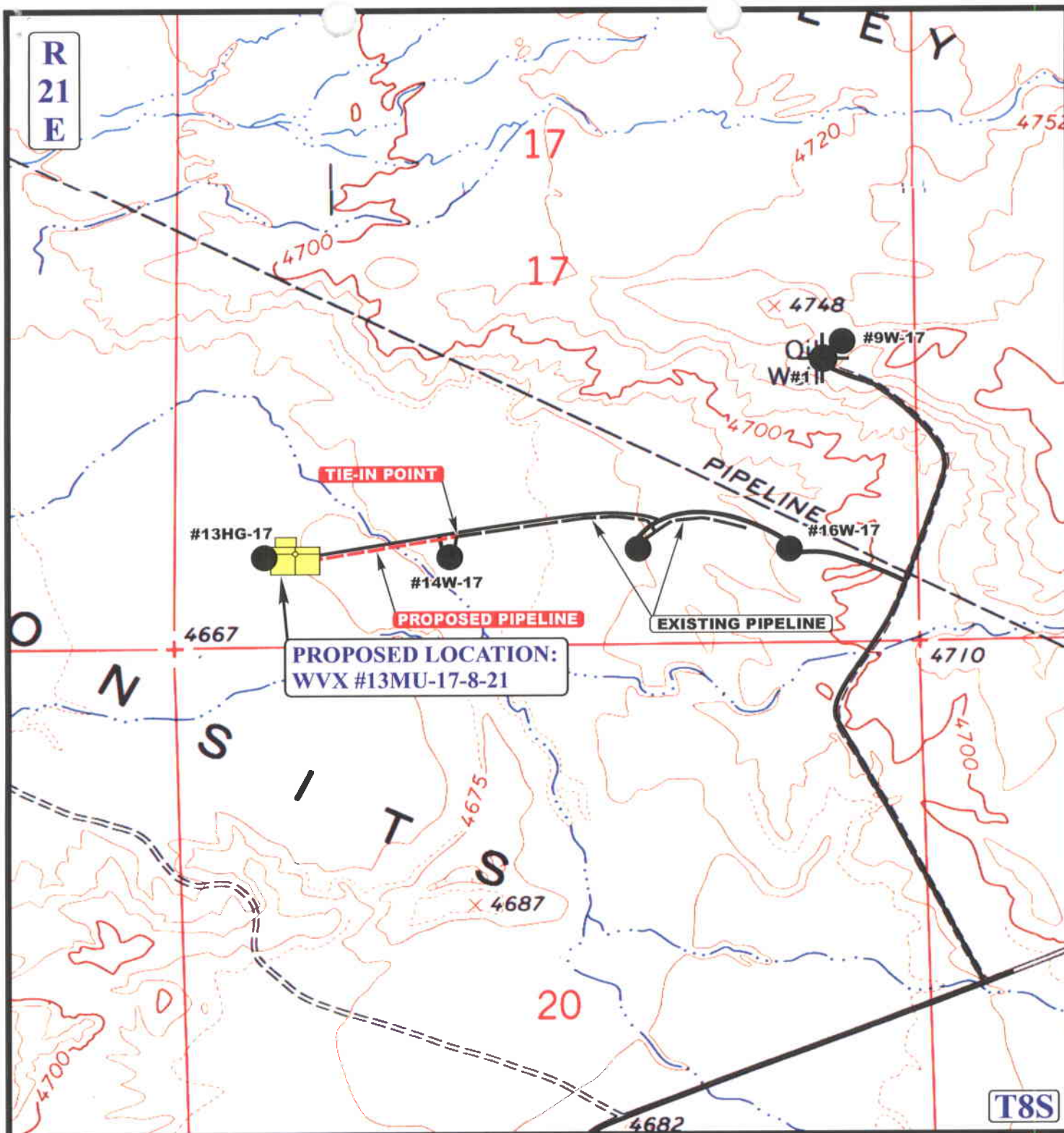


TOPOGRAPHIC
MAP

04 26 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 973' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

QUESTAR EXPLR. & PROD.

WVX #13MU-17-8-21
SECTION 17, T8S, R21E, S.L.B.&M.
674' FSL 856' FWL



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TOPOGRAPHIC
MAP

04 26 06
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: B.C. REVISED: 00-00-00

D
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/07/2006

API NO. ASSIGNED: 43-047-38188

WELL NAME: WVX 13MU-17-8-21

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

SWSW 17 080S 210E

SURFACE: 0674 FSL 0856 FWL

BOTTOM: 0674 FSL 0856 FWL

COUNTY: UINTAH

LATITUDE: 40.11768 LONGITUDE: -109.5843

UTM SURF EASTINGS: 620643 NORTHINGS: 4441569

FIELD NAME: GYPSUM HILLS (610)

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|------|
| Engineering | | |
| Geology | | |
| Surface | | |

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-68219

SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 49-2153)

☒ RDCC Review (Y/N)

(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.

Unit: _____

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☐ R649-3-3. Exception

☐ Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

☐ R649-3-11. Directional Drill

COMMENTS: _____

See Separate file

STIPULATIONS: _____

1- Lease Approval
2- Grading Site

GYPSUM HILLS FIELD
CAUSE: 173-16 / 1-13-2000

GYPSUM HILLS (GR) UNIT

GYPSUM HILLS UNIT 1

GYPSUM HILLS UNIT 2

GYPSUM HILLS UNIT 3

GYPSUM HILLS UNIT 4

GYPSUM HILLS UNIT 5

GYPSUM HILLS UNIT 6

GYPSUM HILLS UNIT 7

GYPSUM HILLS UNIT 8

GYPSUM HILLS UNIT 9

GYPSUM HILLS UNIT 10

GYPSUM HILLS UNIT 11

GYPSUM HILLS UNIT 12

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GYPSUM HILLS UNIT 14

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GYPSUM HILLS UNIT

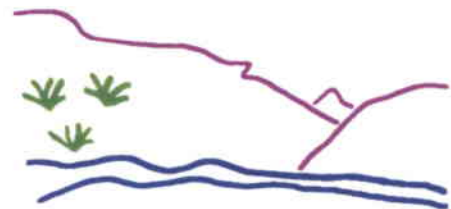
SPACING: R649-3-2 / GENERAL SITING

Unit Status

- ☐ EXPLORATORY
- ☐ GAS STORAGE
- ☐ NF PP OIL
- ☐ NF SECONDARY
- ☐ PENDING
- ☒ PI OIL
- ☐ PP GAS
- ☐ PP GEOTHERML
- ☐ PP OIL
- ☐ SECONDARY
- ☐ TERMINATED

Wells Status

-  **GAS INJECTION**
-  **GAS STORAGE**
-  **LOCATION ABANDONED**
-  **NEW LOCATION**
-  **PLUGGED & ABANDONED**
-  **PRODUCING GAS**
-  **PRODUCING OIL**
-  **SHUT-IN GAS**
-  **SHUT-IN OIL**
-  **TEMP. ABANDONED**
-  **TEST WELL**
-  **WATER INJECTION**
-  **WATER SUPPLY**
-  **WATER DISPOSAL**
-  **DRILLING**



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 15-JUNE-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 15, 2006

QEP Uinta Basin, Inc.
11002 E 17500 S
Vernal, UT 84078

Re: WVX 13MU-17-8-21 Well, 674' FSL, 856' FWL, SW SW, Sec. 17, T. 8 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38188.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: QEP Uinta Basin, Inc.
Well Name & Number WVX 13MU-17-8-21
API Number: 43-047-38188
Lease: UTU-68219

Location: SW SW **Sec.** 17 **T.** 8 South **R.** 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

Change of Operator (Well Sold)

X - Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/1/2007

FROM: (Old Operator):

N2460-QEP Uinta Basin, Inc.
 1050 17th St, Suite 500
 Denver, CO 80265

Phone: 1 (303) 672-6900

TO: (New Operator):

N5085-Questar E&P Company
 1050 17th St, Suite 500
 Denver, CO 80265

Phone: 1 (303) 672-6900

CA No.

Unit:

GYPSUM HILLS UNIT

| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|--------------------|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| SEE ATTACHED LISTS | | | | * | | | | |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/19/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/16/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/31/2005
- Is the new operator registered in the State of Utah: Business Number: 764611-0143
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: n/a
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 4/23/2007 BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 4/23/2007
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 4/30/2007 and 5/15/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/30/2007 and 5/15/2007
- Bond information entered in RBDMS on: 4/30/2007 and 5/15/2007
- Fee/State wells attached to bond in RBDMS on: 4/30/2007 and 5/15/2007
- Injection Projects to new operator in RBDMS on: 4/30/2007 and 5/15/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: 799446
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965003033
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS: THIS IS A COMPANY NAME CHANGE.

SOME WELL NAMES HAVE BEEN CHANGED AS REQUESTED

QEP Uinta Basin (N2460) to QUESTAR E and P (N5085)
GYPSUM HILLS UNIT

4/30/2007 and 5/15/2007

| Original Well Name | Well Name & No. | Q/Q | SEC | TWP | RNG | API | Entity | Lease | Well Type | Status |
|---------------------------|------------------|------|-----|------|------|------------|--------|---------|-----------|--------|
| GYPSUM HILLS 3 | GH 3 | NENE | 20 | 080S | 210E | 4304720002 | 5355 | Federal | WI | A |
| GYPSUM HILLS 4 | GH 4 | SWSE | 19 | 080S | 210E | 4304730028 | 5355 | Federal | OW | P |
| GYPSUM HILLS 6 | GH 6 | NENW | 20 | 080S | 210E | 4304730099 | 5251 | Federal | WI | A |
| COSTAS FED 1-20-4B | GH 1-20 | NESW | 20 | 080S | 210E | 4304731006 | 5355 | Federal | WI | A |
| WHITON FED 1-19-3C | GH 1-19 | SESE | 19 | 080S | 210E | 4304731065 | 5355 | Federal | OW | P |
| COSTAS FED 2-20-3B | GH 2-20 | NESE | 20 | 080S | 210E | 4304731066 | 5355 | Federal | WI | A |
| STAGECOACH FED 23-21 | GH 23-21 | NWSW | 21 | 080S | 210E | 4304731541 | 5355 | Federal | OW | P |
| COSTAS FED 3-21-1D | GH 3-21 | SWNW | 21 | 080S | 210E | 4304731604 | 5355 | Federal | WI | A |
| COSTAS FED 4-21-1C | GH 4-21 | SENE | 21 | 080S | 210E | 4304731826 | 5355 | Federal | OW | P |
| COSTAS FED 5-21-2C | GH 5-21 | SENE | 21 | 080S | 210E | 4304731827 | 5355 | Federal | OW | P |
| SRU 8-I | GH 8-I | SWNE | 20 | 080S | 210E | 4304731932 | 5355 | Federal | WI | A |
| GYPSUM HILLS 9 | GH 9 | SENE | 20 | 080S | 210E | 4304732304 | 5355 | Federal | OW | P |
| GYPSUM HILLS 10 | GH 10 | NWSE | 21 | 080S | 210E | 4304732306 | 5355 | Federal | WI | A |
| GYPSUM HILLS 12 | GH 12 | NESE | 19 | 080S | 210E | 4304732458 | 5355 | Federal | WI | A |
| GYPSUM HILLS 11 | GH 11 | NWSE | 20 | 080S | 210E | 4304732459 | 5355 | Federal | OW | P |
| GYPSUM HILLS 13 | GH 13 | NESW | 21 | 080S | 210E | 4304732460 | 5355 | Federal | OW | P |
| GYPSUM HILLS 14 | GH 13 | NWSW | 20 | 080S | 210E | 4304732647 | 5355 | Federal | OW | P |
| GYPSUM HILLS 15 | GH 15 | SWSW | 20 | 080S | 210E | 4304732648 | 5355 | Federal | WI | A |
| GYPSUM HILLS 17 | GH 17 | SWSE | 20 | 080S | 210E | 4304732649 | 5355 | Federal | WI | A |
| GYPSUM HILLS 18 | GH 18 | SESE | 20 | 080S | 210E | 4304732650 | 5355 | Federal | OW | P |
| GYPSUM HILLS 19 | GH 19 | SWNW | 20 | 080S | 210E | 4304732651 | 5355 | Federal | OW | P |
| GYPSUM HILLS 20 | GH 20 | SENE | 20 | 080S | 210E | 4304732652 | 5355 | Federal | OW | P |
| GYPSUM HILLS 16 | GH 16 | SESW | 20 | 080S | 210E | 4304732675 | 5355 | Federal | OW | P |
| GHU 10W-19-8-21 | GH 10W-19-8-21 | NWSE | 19 | 080S | 210E | 4304733528 | 12736 | Federal | GW | P |
| GH 10G-19-8-21 | GH 10G-19-8-21 | NWSE | 19 | 080S | 210E | 4304733566 | 5355 | Federal | OW | P |
| WV 11W-17-8-21 | WV 11W-17-8-21 | NESW | 17 | 080S | 210E | 4304733912 | 13228 | Federal | GW | P |
| WV 5W-17-8-21 | WV 5W-17-8-21 | SWNW | 17 | 080S | 210E | 4304733954 | 13332 | Federal | GW | P |
| WV 7W-17-8-21 | WV 7W-17-8-21 | SWNE | 17 | 080S | 210E | 4304733956 | 13330 | Federal | GW | P |
| GH 9W-17-8-21 | GH 9W-17-8-21 | NESE | 17 | 080S | 210E | 4304734150 | 13392 | Federal | GW | P |
| GH 16W-17-8-21 | GH 16W-17-8-21 | SESE | 17 | 080S | 210E | 4304734156 | 13354 | Federal | GW | P |
| WV EXT 10W-17-8-21 | WVX 10W-17-8-20 | NWSE | 17 | 080S | 210E | 4304734561 | 13744 | Federal | GW | P |
| GH EXT 15W-17-8-21 | GHX 15W-17-8-20 | SWSE | 17 | 080S | 210E | 4304734562 | 13674 | Federal | GW | P |
| GYPSUM HILLS 13HG-17-8-21 | GHX 13HG-17-8-21 | SWSW | 17 | 080S | 210E | 4304734723 | 5355 | Federal | OW | S |
| GH 1G-17-8-21 | GH 1G-17-8-21 | NENE | 17 | 080S | 210E | 4304734927 | 5355 | Federal | OW | P |
| WV EXT 2W-17-8-21 | WVX 2W-17-8-20 | NWNE | 17 | 080S | 210E | 4304734928 | 14253 | Federal | GW | P |
| WV EXT 8W-17-8-21 | WVX 8W-17-8-20 | SENE | 17 | 080S | 210E | 4304734929 | 13792 | Federal | GW | P |
| GH 4MU-20-8-21 | GH 4MU-20-8-21 | NWNW | 20 | 080S | 210E | 4304735068 | 14213 | Federal | GW | P |
| GYPSUM HILLS 13MU-20-8-21 | GH 13MU-20-8-20 | SWSW | 20 | 080S | 210E | 4304735070 | 14817 | Federal | GW | P |
| GH 5W-20-8-21 | GH 5W-20-8-21 | SWNW | 20 | 080S | 210E | 4304735097 | 14557 | Federal | GW | P |
| WVX 3MU-17-8-21 | WVX 3MU-17-8-21 | NENW | 17 | 080S | 210E | 4304735318 | 14113 | Federal | GW | P |
| GH 15ML-18-8-21 | GH 15ML-18-8-21 | SWSE | 18 | 080S | 210E | 4304735323 | 15483 | Federal | GW | DRL |

QEP Uinta Basin (N2460) to QUESTAR E and P (N5085)
GYPSUM HILLS UNIT

4/30/2007 and 5/15/2007

| Original Well Name | Well Name & No. | Q/Q | SEC | TWP | RNG | API | Entity | Lease | Well Type | Status |
|--------------------|------------------|------|-----|------|------|------------|--------|---------|-----------|--------|
| GH 1ML-19-8-21 | GH 1ML-19-8-21 | NENE | 19 | 080S | 210E | 4304735324 | 14824 | Federal | GW | P |
| GH 16W-19-8-21 | GH 16W-19-8-21 | SESE | 19 | 080S | 210E | 4304735325 | 14823 | Federal | GW | DRL |
| WVX 14MU-17-8-21 | WVX 14MU-17-8-21 | SESW | 17 | 080S | 210E | 4304735369 | 14098 | Federal | GW | P |
| WVX 12MU-17-8-21 | WVX 12MU-17-8-21 | NWSW | 17 | 080S | 210E | 4304735370 | 15108 | Federal | GW | P |
| WVX 8MU-19-8-21 | WVX 8MU-19-8-21 | SENE | 19 | 080S | 210E | 4304735372 | 14241 | Federal | GW | P |
| GH 10ML-18-8-21 | GH 10ML-18-8-21 | NWSE | 18 | 080S | 210E | 4304735391 | 15482 | Federal | GW | P |
| GH 8G-17-8-21 | GH 8G-17-8-21 | SENE | 17 | 080S | 210E | 4304737992 | 5355 | Federal | OW | DRL |
| GH 16G-17-8-21 | GH 16G-17-8-21 | SESE | 17 | 080S | 210E | 4304737993 | 5355 | Federal | OW | DRL |
| WVX 1MU-17-8-21 | WVX 1MU-17-8-21 | NENE | 17 | 080S | 210E | 4304738156 | | Federal | GW | APD |
| GH 8MU-20-8-21 | GH 8-20-8-21 | SENE | 20 | 080S | 210E | 4304738157 | | Federal | GW | APD |
| WVX 13MU-17-8-21 | WVX 13MU-17-8-21 | SWSW | 17 | 080S | 210E | 4304738188 | | Federal | GW | APD |
| WVX 6MU-17-8-21 | WVX 6MU-17-8-21 | SENE | 17 | 080S | 210E | 4304738189 | | Federal | GW | APD |
| WVX 4MU-17-8-21 | WVX 4MU-17-8-21 | NWNW | 17 | 080S | 210E | 4304738190 | | Federal | GW | APD |
| WVX 16MU-18-8-21 | WVX 16MU-18-8-21 | SESE | 18 | 080S | 210E | 4304738191 | | Federal | GW | APD |
| GH 2MU-19-8-21 | GH 2MU-19-8-21 | NWNE | 19 | 080S | 210E | 4304738192 | | Federal | GW | APD |
| GH 3MU-19-8-21 | GH 3MU-19-8-21 | NENW | 19 | 080S | 210E | 4304738250 | | Federal | GW | APD |
| GH 4MU-19-8-21 | GH 4MU-19-8-21 | NWNW | 19 | 080S | 210E | 4304738264 | | Federal | GW | APD |
| GH 5MU-19-8-21 | GH 5MU-19-8-21 | SWNW | 19 | 080S | 210E | 4304738265 | | Federal | GW | APD |
| GH 6MU-19-8-21 | GH 6MU-19-8-21 | SENE | 19 | 080S | 210E | 4304738266 | | Federal | GW | APD |
| GH 7MU-19-8-21 | GH 7D-19-8-21 | SWNE | 19 | 080S | 210E | 4304738267 | | Federal | GW | APD |
| GH 11MU-19-8-21 | GH 11MU-19-8-21 | NESW | 19 | 080S | 210E | 4304738268 | | Federal | GW | APD |
| GH 12MU-19-8-21 | GH 12MU-19-8-21 | NWSW | 19 | 080S | 210E | 4304738269 | | Federal | GW | APD |
| GH 15MU-19-8-21 | GH 15MU-19-8-21 | SWSE | 19 | 080S | 210E | 4304738270 | | Federal | GW | APD |
| GH 14MU-19-8-21 | GH 14MU-19-8-21 | SESW | 19 | 080S | 210E | 4304738472 | | Federal | GW | APD |
| WVX 1MU-18-8-21 | WVX 1MU-18-8-21 | NENE | 18 | 080S | 210E | 4304738659 | | Federal | GW | APD |
| WVX 9MU-18-8-21 | WVX 9MU-18-8-21 | NESE | 18 | 080S | 210E | 4304738660 | | Federal | GW | APD |
| WVX 8MU-18-8-21 | GH 8G-18-8-21 | SENE | 18 | 080S | 210E | 4304738661 | | Federal | GW | APD |
| GH 6MU-20-8-21 | GH 6-20-8-21 | SENE | 20 | 080S | 210E | 4304738662 | | Federal | GW | APD |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: see attached |
| 2. NAME OF OPERATOR: QUESTAR EXPLORATION AND PRODUCTION COMPANY | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: see attached |
| 3. ADDRESS OF OPERATOR: 1050 17th Street Suite 500 CITY Denver STATE CO ZIP 80265 | | 7. UNIT or CA AGREEMENT NAME: see attached |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: attached | | 8. WELL NAME and NUMBER: see attached |
| 5. PHONE NUMBER: (303) 308-3068 | | 9. API NUMBER: attached |
| 6. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 10. FIELD AND POOL, OR WILDCAT: |
| 7. COUNTY: Uintah | | |
| 8. STATE: UTAH | | |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 1/1/2007 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Operator Name Change |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective January 1, 2007 operator of record, QEP Uinta Basin, Inc., will hereafter be known as QUESTAR EXPLORATION AND PRODUCTION COMPANY. This name change involves only an internal corporate name change and no third party change of operator is involved. The same employees will continue to be responsible for operations of the properties described on the attached list. All operations will continue to be covered by bond numbers:

Federal Bond Number: 965002976 (BLM Reference No. ESB000024)

Utah State Bond Number: 965003033

Fee Land Bond Number: 965003033

Current operator of record, QEP UINTA BASIN, INC., hereby resigns as operator of the properties as described on the attached list.

Successor operator of record, QUESTAR EXPLORATION AND PRODUCTION COMPANY, hereby assumes all rights, duties and obligations as operator of the properties as described on the attached list

Jay B. Neese, Executive Vice President, QEP Uinta Basin, Inc.

Jay B. Neese, Executive Vice President
Questar Exploration and Production Company

NAME (PLEASE PRINT) Debra K. Stanberry TITLE Supervisor, Regulatory Affairs
SIGNATURE DATE 3/16/2007

(This space for State use only)

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APR 19 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: see attached |
| 2. NAME OF OPERATOR: QUESTAR EXPLORATION AND PRODUCTION COMPANY | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: see attached |
| 3. ADDRESS OF OPERATOR: 1050 17th Street Suite 500 City: Denver STATE: CO ZIP: 80265 | | 7. UNIT or CA AGREEMENT NAME: see attached |
| PHONE NUMBER: (303) 308-3068 | | 8. WELL NAME and NUMBER: see attached |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: attached | | 9. API NUMBER: attached |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 10. FIELD AND POOL, OR WILDCAT: |
| COUNTY: Uintah | | STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>1/1/2007</u> | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>Well Name Changes</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

PER THE ATTACHED LIST OF WELLS, QUESTAR EXPLORATION AND PRODUCTION COMPANY REQUESTS THAT THE INDIVIDUAL WELL NAMES BE UPDATED IN YOUR RECORDS.

NAME (PLEASE PRINT) Debra K. Stanberry TITLE Supervisor, Regulatory Affairs
SIGNATURE [Signature] DATE 4/17/2007

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APR 19 2007

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
3180
UT-922

April 23, 2007

Questar Exploration and Production Company
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: Gypsum Hills (GR) Unit
Uintah County, Utah

Gentlemen:

On April 12, 2007, we received an indenture dated April 6, 2007, whereby QEP Uinta Basin, Inc. resigned as Unit Operator and Questar Exploration and Production Company was designated as Successor Unit Operator for the Gypsum Hills (GR) Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective April 23, 2007. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Gypsum Hills (GR) Unit Agreement.

Your nationwide oil and gas bond No. ESB000024 will be used to cover all federal operations within the Gypsum Hills (GR) Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Greg J. Noble

Greg J. Noble
Acting Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
File - Gypsum Hills (GR) Unit (w/enclosure)
Agr. Sec. Chron
Reading File
Central Files

UT922:TAThompson:tt:4/23/07

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APR 30 2007

DIV. OF OIL, GAS & MINING

1 CONFIDENTIAL

Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 02 2006

FORM APPROVED
OMB NO. 1040-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | |
|---|---|
| TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | |
| TYPE OF WELL <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> MULTIPLE <input type="checkbox"/> OIL WELL GAS WELL OTHER ZONE ZONE | |
| 2. NAME OF OPERATOR QEP UINTA BASIN, INC. | Contact: Jan Nelson E-Mail: jan.nelson@questar.com |
| 3. ADDRESS 11002 E. 17500 S. Vernal, Ut 84078 | Telephone number Phone 435-781-4331 Fax 435-781-4323 |
| 4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*) At Surface 674' FSL 856' FWL SWSW SECTION 17, T8S, R21E At proposed production zone | |
| 14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE* 10 + / - MILES EAST OF OURAY, UTAH | |
| 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig,unit line if any) 674' + / - | 16.NO.OF ACRES IN LEASE 880.00 |
| 18.DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft | 19. PROPOSED DEPTH 11,825' |
| 21. ELEVATIONS (Show whether DF, RT, GR, ect.) 4668.4' GR | 22. DATE WORK WILL START ASAP |
| 24. Attachments | |

| | |
|--|-----------------|
| 5. LEASE DESIGNATION AND SERIAL NO. UTU-68219 | |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME UTE TRIBE | |
| 7. UNIT AGREEMENT NAME | |
| 8. FARM OR LEASE NAME, WELL NO. WVX 13MU-17-8-21 | |
| 9.API NUMBER: 43-047-38188 | |
| 10. FIELD AND POOL, OR WILDCAT GYPSUM HILLS | |
| 11. SEC.,T, R, M, OR BLK & SURVEY OR AREA SEC.17, T8S, R21E Mer SLB | |
| 12. COUNTY OR PARISH Uintah | 13. STATE UT |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 | |
| 20. BLM/BIA Bond No. on file ESB000024 | |
| 23. Estimated duration 20 days | |

The following,completed in accordance with the requirments of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan
3. A surface Use Plan (if location is on National Forest System Lands,
4. Bond to cover the operations unless covered by an exisiting bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

SIGNED Jan Nelson Name (printed/typed) Jan Nelson

DATE 6-2-06

TITLE Regulatory Affairs

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature]

TITLE

Assistant Field Manager
Lands & Mineral Resources

DATE 1-16-2007

*See Instructions On Reverse Side

Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

United States any false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction

RECEIVED VERNAL FIELD OFFICE

NOTICE OF APPROVAL

JAN 30 2007

DIV. OF OIL, GAS & MINING

07BM4560A

UDOGN



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: QEP Uinta Basin, Inc.
Well No: WVX 13MU-17-8-21
API No: 43-047-38188

Location: SWSW, Sec 17, T8S, R21E
Lease No: UTU-68219
Agreement: N/A

| | | | |
|--|-----------------|----------------------|--------------------|
| Petroleum Engineer: | Matt Baker | Office: 435-781-4490 | Cell: 435-828-4470 |
| Petroleum Engineer: | Michael Lee | Office: 435-781-4432 | Cell: 435-828-7875 |
| Petroleum Engineer: | Jim Ashley | Office: 435-781-4470 | |
| Petroleum Engineer: | Ryan Angus | Office: 435-781-4430 | |
| Supervisory Petroleum Technician: | Jamie Sparger | Office: 435-781-4502 | Cell: 435-828-3913 |
| Environmental Scientist: | Paul Buhler | Office: 435-781-4475 | Cell: 435-828-4029 |
| Environmental Scientist: | Karl Wright | Office: 435-781-4484 | |
| Natural Resource Specialist: | Holly Villa | Office: 435-781-4404 | |
| Natural Resource Specialist: | Melissa Hawk | Office: 435-781-4476 | |
| Natural Resource Specialist: | Chuck Macdonald | Office: 435-781-4441 | |
| Natural Resource Specialist: | Darren Williams | Office: 435-781-4447 | |
| Natural Resource Specialist: | Verlyn Pindell | Office: 435-781-3402 | |
| After Hours Contact Number: 435-781-4513 | | Fax: 435-781-4410 | |

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | | |
|---|---|--|
| Location Construction (Notify Holly Villa) | - | Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion (Notify Holly Villa) | - | Prior to moving on the drilling rig. |
| Spud Notice (Notify Petroleum Engineer) | - | Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing (Notify Jamie Sparger) | - | Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests (Notify Jamie Sparger) | - | Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice (Notify Petroleum Engineer) | - | Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

General Conditions of Approval

1. A 30 foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
2. A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
3. The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
4. Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
5. The Company shall inform contractors to maintain construction of pipelines within the approved ROW's.
6. The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
7. You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
8. Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
9. The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
10. All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
11. All vehicular traffic, personnel movement, construction/restoration operations shall be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
12. All personnel shall refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
13. The personnel from the Ute Tribe Energy & Minerals Department shall be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.

14. All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
15. Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

ADDITIONAL Conditions of Approval

16. Rock and gravel location and access as needed
17. Operator shall notify any active gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during construction for this well.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.
The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. Operator is to notify gilsonite lease holder prior to pad explosives blasting. Well is not close to gilsonite vein, but on trend to gilsonite vein deposits.
2. Oil shall not be used in the water based mud system without prior approval. Written request for approval shall be required.
3. Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
4. A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

Cement baskets shall not be run on surface casing.

5. The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).
6. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
7. The lessee/operator must report encounters of all non oil and gas mineral resources (such as gilsonite, tar sands, oil shale, etc.) to a geologist of the Vernal Field Office in writing within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
8. No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
9. Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

10. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test

data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.

11. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
12. Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
13. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
14. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location ($\frac{1}{4}$, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

- f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
- 15. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- 16. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A shall be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
- 17. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- 18. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-68219 |
| 2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION CO. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE TRIBE |
| 3. ADDRESS OF OPERATOR: 1571 E. 1700 S. CITY VERNAL STATE UT ZIP 84078 | | 7. UNIT or CA AGREEMENT NAME: N/A |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 674' FSL 856' FWL | | 8. WELL NAME and NUMBER: WVX 13MU-17-8-21 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 17 8S 21E | | 9. API NUMBER: 4304738188 |
| COUNTY: UINTAH | | 10. FIELD AND POOL, OR WILDCAT: GYPSUM HILLS |
| STATE: UTAH | | |

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the WVX 13MU-17-8-21.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-18-07
By: [Signature]

DATE SENT TO OPERATOR
DATE: 6-19-07
BY: RM

| | |
|--|---------------------------------|
| NAME (PLEASE PRINT) <u>Laura Bills</u> | TITLE <u>Regulatory Affairs</u> |
| SIGNATURE <u>[Signature]</u> | DATE <u>6/11/2007</u> |

(This space for State use only)

RECEIVED
JUN 13 2007

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38188
Well Name: WVX 13MU-17-8-21
Location: 674' FSL 856' FWL, SWSW, SEC. 17 T8S R21E.
Company Permit Issued to: QUESTAR EXPLORATION & PRODUCTION C
Date Original Permit Issued: 6/15/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

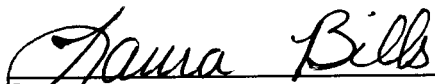
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

6/11/2007
Date

Title: REGULATORY AFFAIRS

Representing: QUESTAR EXPLORATION & PRODUCTION

RECEIVED

JUN 13 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.

UTU - 68219

6. If Indian, Allottee or Tribe Name

UTE TRIBE

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

WVX 13MU-17-8-21

9. API Well No.

43-047-38188

10. Field and Pool, or Exploratory Area

GYPSUM HILLS

11. County or Parish, State

UINTAH

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Questar Exploration & Production Company

Contact: Jan Nelson

3a. Address

11002 East 17500 South, Vernal, UT 84078

3b. Phone No. (include area code)

435-781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

674' FSL 856' FWL, SWSW, SECTION 17, T8S, R21E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other

APD EXTENSION

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Questar Exploration & Production Company hereby requests a one year extention for WVX 13MU-17-8-21.

BLM APD approval date: 01/16/2007

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
VERNAL FIELD OFFICE
2007 NOV 26 PM 3:56
BUREAU OF LAND MGMT.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Laura Bills

Signature

Laura Bills

Title

Regulatory Affairs

Date

November 26, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Mark Baker

Title

Petroleum Engineer

Date

DEC 03 2007

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

DEC 28 2007

UDOGM

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38188
Well Name: WVX 13MU-17-8-21
Location: 674' FSL 856' FWL, SWSW, SEC. 17, T8S, R21E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 1/16/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

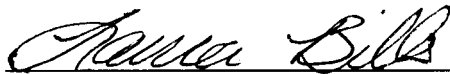
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature

11/26/2007
Date

Title: Regulatory Affairs

Representing: Questar Exploration & Production Co.

CONDITIONS OF APPROVAL

QEP Uinta Basin Inc.

Notice of Intent APD Extension

Lease: UTU-68219
Well: WVX 13MU-17-8-21
Location: SWSW Sec 17-T8S-R21E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 1/16/09
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Questar Exploration & Production Co.

3. ADDRESS OF OPERATOR:
11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-4331

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 674' FSL 856' FWL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 17 8S 21E

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-68219

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
UTE TRIBE

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
WVX 13MU-17-8-21

9. API NUMBER:
4304738188

10. FIELD AND POOL, OR WILDCAT:
GYPSUM HILLS

COUNTY: UINTAH

STATE:
UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|--|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION</u> |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Questar Exploration & Production Co. hereby requests a 1 year extension on the WVX 13MU-17-8-21.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-18-08

By: [Signature]

COPY SENT TO OPERATOR

Date: 6.19.2008

Initials: KS

NAME (PLEASE PRINT) Laura Bills

TITLE Associate Regulatory Affairs Analyst

SIGNATURE [Signature]

DATE 6/10/2008

(This space for State use only)

RECEIVED

JUN 16 2008

CONFIDENTIAL

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38188
Well Name: WVX 13MU-17-8-21
Location: 674' FSL 856' FWL, SWSW, SEC. 17, T8S, R21E
Company Permit Issued to: Questar Exploration & Production Co.
Date Original Permit Issued: 6/15/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Anna Bills
Signature

6/10/2008

Date

Title: Associate Regulatory Affairs Analyst

Representing: Questar Exploration & Production Co.

RECEIVED

JUN 16 2008

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 8, 2009

Laura Bills
Questar Exploration & Production, Co.
11002 East 17500 South
Vernal, UT 84078

43 047 38188
WVX 13MU-17-8-21
8S 21E 17

Re: APDs Rescinded at the request of Questar Exploration & Production, Co.

Dear Ms. Bills:

Enclosed find the list of APDs that you requested to be rescinded to Questar Exploration & Production, Company. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective January 8, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



| | |
|------------------|--------------|
| NBZ 8ML-23-8-24 | 43-047-37527 |
| NBZ 1ML-29-8-24 | 43-047-37666 |
| COY 11ML-24-8-24 | 43-047-37934 |
| COY 06ML-24-8-24 | 43-047-37532 |
| COY 16ML-23-8-24 | 43-047-37530 |
| COY 09ML-23-8-24 | 43-047-37528 |
| COY 06D-21-8-24 | 43-047-37584 |
| COY 12ML-14-8-24 | 43-047-37937 |
| WVX 6MU-17-8-21 | 43-047-38189 |
| WVX 13MU-17-8-21 | 43-047-38188 |
| GH 2MU-19-8-21 | 43-047-38192 |



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 4, 2009

Laura Bills
Questar Exploration & Prod. Co.
11002 East 17500 South
Vernal, Utah 84078

43 047 38188
WVX 13MU-17-8-21
8S 21E 17

Re: APDs Rescinded at the request of Questar Exploration & Prod. Co.

Dear Ms. Bills:

Enclosed find the list of APDs that you requested to be rescinded to Questar Exploration & Production Company. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective January 30, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



| | |
|------------------|--------------|
| COY 4ML-21-8-24 | 43-047-37585 |
| BZ 12ML-16-8-24 | 43-047-37670 |
| BZ 14ML-16-8-24 | 43-047-37672 |
| GH 2MU-19-8-21 | 43-047-38192 |
| WVX 6MU-17-8-21 | 43-047-38189 |
| WVX 13MU-17-8-21 | 43-047-38188 |

files missing



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal/html>



IN REPLY REFER TO:

3160

LLUTG01100

February 3, 2009

Jan Nelson

Questar Exploration & Production Co.

11002 East 17500 South

Vernal, UT 84078

43047-38188

Re: Notice of Expiration
Well No. WVX 13MU-17-8-21
SWSW, Sec. 17, T8S, R21E
Uintah County, Utah
Lease No. UTU-68219

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on January 16, 2007. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until January 16, 2009. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

On January 26, 2009 this office received your sundry notice confirming no surface disturbance on this well location.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

RECEIVED

FEB 10 2009

DIV. OF OIL, GAS & MINING